

Memorandum

From: Rick Spees, Jane Sargent and Jose Villalobos

To: Board of County Commissioners

CC: Phillip Drujak

Date: February 6, 2023

Subject: January 2023 Monthly Report

Legislative Summary:

As we previously reported, the Congress passed the massive appropriations omnibus for Fiscal Year 2023 at the end of December and it was signed into law by the President. The bill totaled \$1.7 trillion and included funding for all the federal programs that should have been passed in the twelve separate annual appropriations bills. Now we are waiting for the next step in the budget process which will be the release of the President's Fiscal Year 2024 budget. By law it should be released on the first Monday of February, but due to the delays in the passage of the FY 2023 bill, the Administration has announced that it will release his budget on March 9th.

In the meantime the House and Senate have been organizing for the 118th Congress. You all know about the many votes it took to elect Congressman McCarthy as Speaker. It took several days to get it done, which pushed back other procedural matters that need to be completed at the start of a Congress. Only last week were all the appointments made for the committees. In a similar way, the Senate also took until late last week to get all the committee assignments done. Hearings are starting and a few bills have passed the House.

So what are the big take-aways of the first month of the new Congress? We don't expect much legislation of consequence to pass over the next two years. Only the matters that absolutely must pass will get done. There has been some suggestions that there may be a deal on immigration done this year. After all everyone acknowledges that the current system and the Southern border

are a shambles. There are some moderate Senators from both parties that are talking about potential deals. It is all very positive, however, don't bet on anything happening. Another bill that is scheduled to pass this year is the farm bill. That bill authorizes USDA programs, including farm subsidies, crop insurance and the supplemental nutrition assistance program (formerly known as food stamps). Will it pass? Don't bet on it. The Republicans want to cut nutrition assistance benefits and expand work requirements. The Democrats oppose that. The Democrats want to include climate change provisions. The Republicans oppose that. If the bill doesn't pass, the government will simply operate under the old law.

So there are really two things Congress must pass this year. The first is the budget bills. There are twelve appropriations bills that, taken together, make up the federal budget. When Congress can't pass the individual bills, like last year, they end up passing one massive omnibus bill. As a condition of gaining the seats to become Speaker, McCarthy promised that there will not be any consolidated bills passed this Congress. So he is on the hook to pass all twelve appropriations bills out of the House. He can succeed in getting the bills out of the House, but it remains to be seen if the House-passed bills can get through the Senate. It may be a train wreck as it often has been in the past. But at the end of the day, Congress must pass the budget bills to avoid a government shutdown.

The second bill that Congress must pass is a bill to raise the debt ceiling. The government needs to raise the debt ceiling to continue to borrow the monies necessary to pay for the programs the Congress has already enacted. Currently the Republicans are saying they won't raise the debt ceiling unless the bill also includes significant budget savings. The Administration says it will not negotiate on this matter, and that the Congress must raise the debt ceiling without conditions. This issue will play out over the next few months. Initially both sides will mostly posture. Eventually they will sit down and, again, work out a deal. We believe that the Democrats will eventually agree to some cuts. We believe the cuts will not be as large as the conservative Republicans want.

On both these issues, we will witness lots of posturing, lots of name calling, and lots of drama. We will keep you informed.

Committee Assignments:

When the new Congress reconvened in January, the Congressional committees were re-organized to reflect the new House Republican majority and the larger Democratic majority in the Senate. Also, committee slots for members who did not return this session had to be re-assigned to other members. There were positive changes for the members of the Miami-Dade delegation, including new committee leadership assignments for some of the members.

Representative Mario Diaz-Balart is now the Chair of the State Department-Foreign Operations Appropriations Subcommittee, after term limits forced him to step aside as the Chair of the

Transportation-HUD Subcommittee. He will continue to serve on that subcommittee as well as the Defense Appropriations Subcommittee.

Representative Gimenez has been named as the Chair of the Homeland Security Committee's Subcommittee on Transportation and Maritime Security. His other committee assignments include the House Armed Services Committee and the new Select Committee on China.

Representative Salazar has been named as the Chair of the Western Hemisphere, Civilian Security, Migration, and International Economic Policy Subcommittee on the House Foreign Affairs Committee. She also serves on the House Committee on Small Business.

Representative Frederica Wilson has been named as the Ranking Member of the Higher Education and Workforce Development Subcommittee of the House Education and the Workforce Committee. She also serves on the House Transportation & Infrastructure Committee.

Senator Rubio will continue to serve on the Senate Appropriations Committee, Foreign Relations Committee, Intelligence Committee (Vice Chair), and Special Committee on Aging. The Senate Republicans are continuing to organize for the 118th Congress, but there is a possibility Senator Rubio could be named as the Ranking Member on the Senate Legislative Branch Appropriations Subcommittee. Those assignments are expected to be made this week.

Senator Scott will continue to serve on the Senate Homeland Security Committee, Armed Services Committee, Budget Committee and Special Committee on Aging. However, he lost his seat on the Commerce, Science & Transportation Committee when Republicans had to trim their committee rosters for the 118th Congress.

FY 2024 Budget:

The President's budget proposal is due to Congress by the first Monday in February each year. Obviously, the Biden Administration missed that deadline. The delay in completing the FY 2023 budget process has delayed the budget for FY 2024. The Administration has announced that the budget will be released on March 9th, which means the Congressional budget process will be starting late. The new fiscal year begins on October 1st. We can easily predict now that Congress will not be completing any of the FY 2024 appropriations bills before that deadline. Before the end of September, they will have to pass a Continuing Resolution that gives them more time to complete the bills. However, with the House Republican leadership planning to make substantial cuts in discretionary appropriations in the FY 2024 bills, it will make reaching an agreement with the Democratic-controlled Senate more difficult than usual this year.

President Biden is planning to deliver his State of the Union speech on February 7th. He is expected to preview some themes for his budget proposal as well tout the legislative accomplishments from last session, such as the Bipartisan Infrastructure Law and the Inflation

Reduction Act. With the newly divided Congress, he is expected to push for bipartisanship, which made enacting those pieces of legislation possible.

While there has been a delay in the FY 2024 budget release, Congressional offices are beginning to prepare for the annual appropriations process. Some offices have already set deadlines for appropriations requests to be submitted to their offices. While the House and Senate Appropriations Committees have not issued their guidance to Congressional offices yet this year, we expect that requests for both programmatic and "Community Project Funding" (also known as earmarks) will be permitted again this year. We anticipate most House office deadlines will fall in early to mid-March with the Senate deadlines being later. We are continuing to monitor those announcements closely. In the meantime, the County needs to begin preparing its appropriations requests for this year so they are ready by the relevant deadlines. Each year, we work with the County on several of its programmatic requests and are prepared to assist again this year.

Activities for February:

The House will be out of session from February 10-27. The Senate will be out of session the week of the February 19th. The President will give his State of the Union address on February 7th. Now that the most Congressional committees are finished organizing they will begin to hold hearings. Congress will also begin preparing for the President's budget release in March, which will kick off the annual budget/appropriations process. As always, we will continue to monitor and report on legislative and executive branch developments of interest to the County.